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IN THE

Supreme Court of the United States

October Term, 1959.

No. 486.

JOSEPH SCHREIBER and DAVID GOLDBERG, individually and as partners trading as SCHREIBER & GOLDBERG,

Petitioners,

v.

AMERICAN SAFETY TABLE COMPANY, INC.,

Respondent.

BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

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INTRODUCTORY STATEMENT.

This is a case involving two different causes of action, the first being for patent infringement and the second for unfair competition in trade.

The decision of the Court of Appeals for the Second Circuit holding that respondent's patent in suit (Pl. Ex. 4; R. 391a, 866) was valid and infringed by petitioners and that petitioners were guilty of unfair competition is manifestly correct.

The decision of the Court of Appeals below is not in conflict with the decision of any other court of appeals on the same matter and there is not presented here and the majority opinion of the Court of Appeals below did not

decide any unsettled or disputed questions of law concerning which there exists any conflict of opinion between any of the several different courts of appeal. Neither is there any federal question which has been decided in a way in conflict with any applicable decision of this Court.

No question of public importance is involved in this case and there has been no departure from the accepted and usual course of judicial proceedings.

Actually, the actions for patent infringement and unfair competition were brought as a defensive measure by the plaintiff-respondent to protect its own private interests against the defendants-petitioners herein who sought not only to deliberately and wilfully appropriate the respondent's patented invention in suit, but also embarked upon a scheme to fraudulently make use of the reputation and goodwill which respondent had acquired in connection with its manufacture and sale of collar forming and pressing machines over a period of some 19 years prior to the defendants-petitioners' advent into the field.

In support of their petition, the petitioners have seized upon isolated statements of the majority opinion of the Court of Appeals below in their endeavor to build out of them a case for review. This is true not only in respect to their representations against that Court's affirmation of the judgment sustaining the validity and infringement of the respondent's patent to Voigt, No. 2,090,318, but also of their contentions in opposition to the findings and conclusions expressed in the majority opinion of the Court below on the issue of unfair competition. In final analysis, the petition constitutes nothing more than a re-argument of the patent infringement and unfair competition issues.

The comprehensive majority ruling and opinion of the Court of Appeals below [1] fully and completely disposed of the issues in this case. There now is no special or important reason why the writ prayed for should be granted.

1. Petitioners' Appendix A, pp. 1a to 40a.

OPINIONS BELOW.

The opinion of the Court of Appeals for the Second Circuit is reported at 269 Fed. 2d 255 and appears as Appendix A to the Petition (pp. 1a-57a). The District Court wrote no opinion, but filed separate findings of fact and conclusions of law, reproduced as Appendix B to the Petition (pp. 58a-61a).

JURISDICTION.

The jurisdictional requisites are adequately set forth in the Petition.

COUNTER-STATEMENT OF THE QUESTIONS PRESENTED.

The "Questions Presented" in the petition (page 2) by no means furnish this Court with an accurate presentation of the real factual issues which were resolved below and for that reason are considered to be inadequate. We believe that the following questions more properly present the issues which were decided upon the facts as found by the majority of the Court below:—

1. Did the Court of Appeals below decide any issue of general applicability concerning the standard of invention necessary in patent cases?

2. Did the Court of Appeals below err in its interpretation and construction of the claims of the patent in suit and in applying them to the accused device?

3. Did the Court of Appeals below err in finding the petitioners guilty of unfair competition upon the facts as found?

STATEMENT OF THE CASE.

Respondent, American Safety Table Company, Inc., (sometimes referred to herein and in the opinion of the Court below as Amco) as plaintiff in the District Court, brought two separate suits, separately filed several months apart, which were subsequently consolidated and tried upon a single record. The first suit included two causes of action against the petitioners herein, one charging infringement of respondent's patent No. 2,090,318, which expired during the pendency of the suit, and the other charging unfair competition. The second later filed suit charged the petitioners with infringement of respondent's patent No. 2,619,267.[2] Both patents related to machines used in the shirt manufacturing industry for the pressing and shaping of shirt collars.

The District Court held both of the respondent's patents valid and infringed by the petitioners, but it dismissed the complaint as to the charge of unfair competition.

The Court of Appeals below, by its majority opinion,[3] affirmed the District Court decision holding valid the now expired first patent in suit, No. 2,090,318, but reversed the lower court's decision in respect to the second patent in suit, No. 2,619,267, holding it to be invalid for lack of invention. There is no dispute before this Court with respect to this latter invalidated patent.

In the same opinion of the Court of Appeals below, the decision of the District Court on the unfair competition cause of action was reversed, the majority opinion holding that the respondent's claim of unfair competition had been established and on this issue of unfair competiton the Court below remanded the case for equitable relief as prayed for.

The trial of the consolidated suits in the District Court extended over a period of some six weeks, consuming 24

2. Opinion of the Court below, Petitioners' Appendix A, pp. 21a-25a.

3. Opinion of the Court below, Petitioners' Appendix A, pp. 14a-21a.

actual trial days, resulting in a transcript of the trial record of over 3300 pages and necessitating the introduction of more than 200 exhibits, including a number of machines representative of those made by the respondent and the petitioners as well as of the prior art.

The District Court rendered no opinion and made no detailed findings and so, as the Court of Appeals below has indicated, it had to make its own review "of the maze of direct and collateral issues"[4] in order to resolve the complex questions involved. While the members of the Court of Appeals divided sharply concerning what was proved and what inferences and conclusions should be drawn from the conflicting and voluminous evidence, the facts as found and the issues as decided by the majority of the Court are clear cut.

The respondent cannot and does not accept either the petitioners' "Statement of the Case" (Petition, page 3) in respect to the patent issue or its "Statement of the Facts" (Petition, page 11) in respect to the unfair competition issue, since both are replete with misstatements of facts and erroneous and unfounded assertions and arguments calculated to present a picture bearing no resemblance whatsoever to the true picture developed by the actual facts of the case.

The petition does not apprise this Court of the fact that when petitioners commenced their manufacture and sale of the accused machines, they did so, as the Court below found, "by constructing and selling double point machines virtually identical in design, color and appearance with the AMCO machines", and that "although copying all features at first, Schreiber & Goldberg (petitioners herein) gradually began to make certain changes in their machines",[5] the only one of which pertinent to the patent here in suit was to substitute "a bar extending across the upper

4. Opinion of the Court below, Petitioners' Appendix A, page 3a.

5. Opinion of the Court below, Petitioners' Appendix A, page 13a

pressure shoes instead of leaf-springs". This substitute cross-bar was held by both Courts below to be the full mechanical equivalent of the respondent's leaf-springs. Although vigorously contested below, the petition does not now raise any issue as to this holding of mechanical equivalency between the cross-bar and the leaf-springs.

The petition is silent also as to the mode and manner and the circumstances attaching to the petitioners' copying of the respondent's patented machines, there being no suggestion in the petition that to facilitate such copying the petitioners employed parts of the Amco machines as patterns for the reproduction of their own comparable parts (R. 215-218; 227-228), and as the occasion warranted, petitioners even went so far as to include in their machines, which they sold as new, original parts of the respondent's machines (R. 206; 241-244; 256). While it is true that these actions of petitioners appear to be most germane to the unfair competition cause of action, they were also pertinent on the issue of patent validity since, when petitioners saw fit to copy and use not the constructions of the prior art but exactly that of the respondent's patent, they were paying high tribute to the patented invention. As the Court below found,[6] the Petition being discreetly silent in respect thereto, the merits of the patented machine were so well known to the Petitioners since at least 1936 that, when they unsuccessfully sought an agency to deal in and sell the respondent's machines, they decided finally in 1952 to duplicate them "and take our chances".

For a complete statement of the case we can do no better than respectfully refer this Court to the comprehensive majority opinion of the Court below, wherein is accurately recited in detail not only the facts which immediately preceded and brought on this suit but also the background history of the development and sale of the re-

6. Opinion of the Court below, Petitioners' Appendix A, page 27a.

spondent's machines; the relations existing between the parties hereto during the nineteen-year period prior to the petitioners' own manufacture and sale of machines in simulation of those of the respondent; the facts showing petitioners' wilful and deliberate infringement of the respondent's patent here in suit; the motives which impelled the petitioners to embark upon a program which the Court stated involved "a record of wilful and cunningly contrived pirating";[7] and the unfair acts of the petitioners which in their aggregate the Court characterized and held to be as a matter of law "a deliberately contrived scheme of fraudulent marketing".[8]

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7. Opinion of the Court below, Petitioners' Appendix A, page 31a.

8. Opinion of the Court below, Petitioners' Appendix A, page 44a.

ARGUMENT.

Reasons for Not Granting the Writ in Respect to the Patent Issue.

Petitioners would invite this Court to review and decide abstract issues and questions of law which were not decided by the Court of Appeals below.

Before discussing the questions which petitioners seek to present by their petition, we consider it important to emphasize the fact that as concerns the respondent's only patent in suit, No. 2,090,318, it expired more than five years ago[9] during the pendency of this case and therefore there cannot now be and there is no continuing interest by the public or the shirt manufacturing industry in this patent, particularly in respect to any interpretation of its subject matter or scope.

Petitioners attempt to raise a spurious issue in respect to this now expired patent of alleged confusion among and within the several Courts of Appeal as to whether the "standard of invention" is that assertedly set forth in *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Co.*, 340 U. S. 147; 95 L. Ed. 160 (1950) or that of 35 U. S. C., Section 103 (1952 Patent Act, Petitioners' Appendix C).

No such question (as to comparative standards of invention) was ever presented to or decided in this case by the Court of Appeals below and it is now being raised in the petition for the very first time. As a matter of fact, the *A & P* case, *supra*, was not cited or discussed by either party to this litigation in the briefs relating to patent No. 2,090,318 which were filed with the Court of Appeals below in support of their respective contentions for and against validity of the patent in suit. The first reference ever made

9. Expiration date, August 17, 1954.

by the petitioners to the *A & P* case was in their denied petition to the Court below for rehearing, but even this reference was not for the purpose of raising and it did not raise the question now attempted by petitioners to be put in issue. It simply urged the Court below to reconsider the case on the petitioners' argument that the invention in suit did not, in their opinion, measure up to the "standard" allegedly set up in the *A & P* case.

The petitioners present their first question as though, were it not for the provisions of the Patent Act of 1952, the facts in this case would have warranted a holding of invalidity for the patent in suit. The question further assumes findings which were never made of obviousness and of unimportant differences between the patented invention and the prior art.

On the contrary, the majority of the Court below found that the invention in suit was not obvious, stating:—

> "* * * it is only after the event that the very simplicity of this ingenious contrivance makes it seem simple and obvious. The fact is that several other inventors who conceived an abundance of original thought on the subject of how to press and shape a smooth collar did not think of it. And it is only by elaborate and detailed study of the alternate ideas suggested by others that an observer can appreciate the merit of Voigt's conception".

It is of primary significance to note that in the companion case not here involved, the Court below held invalid the second patent of the respondent,[10] again without any consideration of one standard of invention as against a possibly different standard.

The only real question in this patent case which was before the Court of Appeals below was the validity of the patent claims under the applicable settled law. The major-

10. Opinion of the Court below, Petitioners' Appendix A, pp. 21a-25a, in re Patent No. 2,619,267 not involved in the instant case.

ity decision of the Court was that the claims were valid as had been held by the District Court. That the claims met the test of invention under the patent law, as it existed both prior to and after the Patent Act of 1952, is evident from the fact that the majority of the Court below cited in support of their opinion not only *Lyon v. Bausch & Lomb Optical Co.*, 2 Cir. 1955, 224 F. 2d 530; cert. denied, 350 U. S. 911 (decided *after* enactment of the 1952 Patent Act), but also *Potts v. Creager*, 1895, 155 U. S. 597, 608 and *White v. Converse*, 2 Cir. 1927, 20 F. 2d 311, 313; cert. denied, 275 U. S. 547 (both of which latter cases were decided *prior* to the 1952 Patent Act.) [11]

The claims of respondent's patent No. 2,090,318 were held valid by both the District Court and the Court of Appeals below, and neither in the majority opinion of the Court nor in the dissenting opinion of Judge Clark was it even indicated, much less was it decided, that the issue in this case was whether one or another standard of invention should have been considered in determining the validity of the patent. Whether one or the other of the allegedly different "standards" of patentable invention is applicable is of no importance so far as this case is concerned, since there is no indication other than that the particular patent here in suit was held valid under all previously known and expounded standards.

The conclusion of the majority of the Court below that the patent in suit was valid is wholly consonant with the general patent law, and was arrived at *solely by the particular fact situation presented by this case*, even as measured against the most severe standards and regardless of whether the 1952 Patent Act was a codification of the existing law or a revision of it. The Court below merely applied to the facts of this case, as it did when invalidating respondent's patent No. 2,619,267, the general principles of the settled law as to invention which have been recognized

11. Opinion of the Court below, Petitioners' Appendix A, page 16a.

ever since the decision of this Court in *Hotchkiss v. Greenwood*, 11 Howard 248, 267, 13 L. Ed. 683, 691 (1851).

Indeed, this case is an uniquely unsuitable vehicle for the exploration of the general standard or test required for patentable invention, in view of the exceedingly complex record, the absence of specific and detailed findings which might have served to narrow the issues and the many *factual* disputes as is evidenced by the petition itself.

Petitioners would also have this Court review another abstract question concerning the interpretation of the claims of the now expired patent in suit. The petitioners represent that the majority opinion of the Court of Appeals below erred in finding that "the novelty and essence of the Voigt invention of the patent in suit was in conceiving that the application of parallel pressure to a substantial portion of the collar would produce the most effectively pressed and shaped collar" and that Voigt's use of parallel pressure solved a long existing need in the art; and in this connection petitioners further contend that "parallel pressure" was never claimed by Voigt as the essence of his invention.

This attempt to attach special significance to the phrase "parallel pressure" is quite illogical in view of the fact that such parallel pressure is obtained and in fact is inherent upon application of collar-pressing pressure to the top pressure shoes through the double pivot arrangement of the patented mechanism. Without this double pivot arrangement to provide for self-leveling action of the upper pressure shoes "the relationships of the shoe to the bed plate would not be level or nearly level upon the movement of the fulcrum" (R. 796).

Whether or not this inherent action of the patented device be described by the expression "parallel pressure" or "self-levelling" or by any other terminology, the indisputable fact is, as was found by the Courts below, that it was obtained only as the result of the operation of the device disclosed and claimed in the patent. It was the invention of this device which the Court below found the patentee

had contributed to "the practical solution of the problem that vexed the industry" [12] and it was the petitioners herein who, again in the words of the Court below, "paid the *device* the most sincere of all compliments by copying it root and branch". (Emphasis added.) [13]

The patentee, Voigt, himself testified (R. 795) that without the double pivot arrangement the top pressure shoes "would not be parallel with the bottom shoe or the bottom plate", and it was at this juncture at the trial (R. 795-796) that the Trial Judge drew the sketch (PX120; R. 797, 875) in illustration of his own understanding and appreciation of the purpose and significance of the double pivot arrangement.

Obviously in its use of the term "parallel pressure", the majority opinion of the Court below was only emphasizing the significance which it attached to the double pivot arrangement and the means (the leaf-springs or its equivalent cross-bar) for restraining the motion of the upper die away from the lower die or bed plate as "said upper die reciprocates toward and away from said lower die, and, with a limited motion, toward and away from the point of the recess".[14] Thus it was that the majority of the Court below said:—

> "The significance of these features is that they insure the application of level pressure to the collar points, since the upper and lower dies are first brought into parallel planes by the leaf-springs and then main-

12. Opinion of the Court below, Petitioners' Appendix A, page 16a.

13. Opinion of the Court below, Petitioners' Appendix A, page 10a.

14. This quotation by the Court below (Opinion, Petitioners' Appendix A, page 8a) of the exact language of the claim 1 (R. 867) of the patent in suit, coupled with its observation that "An ingenious double pivot arrangement and clamps or springs to keep the pressing shoes level were found by the Patent Office to constitute patentable improvement" (Petitioners' Appendix A, page 7a) shows how completely inapplicable petitioners' second question is to the facts in this case.

tained in such relationship during the process of applying pressure by the double pivot set up". (Petitioners' Appendix A, page 8a)

The remaining contentions appearing in the petition in respect to the prior art patents and to commercial success of the respondent's patented machines also have to do with questions of fact which were decided by the Court below and which are collateral to and do not come within the purview of the "Questions Presented" by petitioners in this patent case. These collateral arguments merely emphasize the fact that the petitioners are but seeking to have this Court review the detailed facts in the instant case and go through precisely the same detailed ground fully and carefully considered by the District Court after a full and lengthly trial and by the Court of Appeals below (as note its discussion of the prior art—Opinion, Petitioners' Appendix A, pp. 15a-16a) after its own meticulous review of the entire record of this case. It is not the respondent's understanding that that is the purpose of a petition for writ of certiorari or the function of this Court, *General Talking Pictures Corporation v. Western Electric Company*, 304 U. S. 175, 178, 179; 82 L. Ed. 1273, 1275 (1938).

The petitioners' questions are academic in relation to the decision of the Court below and do not have to do with any matter or issue in this patent case that is so special or important as to compel review and decision by this Court. The case simply turned on the facts as disclosed and the compelling weight of the evidence, there being no patent issues of general interest presented. Instead the very questions presented by petitioners make it evident that petitioners are merely disputing the findings of fact and conclusions of law of the Court below. There is not here involved any "real and embarrassing conflict of opinion and authority" or any other conflict between the affirming decision of the Court below and other decisions of the same or different Courts of Appeals on the same matter as would warrant a

review of this case by this Court. *Layne & Bowler Corp. v. Western Well Works*, 261 U. S. 387, 388; 67 L. Ed. 712; *Keller v. Adams-Campbell Corp.*, 264 U. S. 314, 319; 68 L. Ed. 705.

Reasons for Not Granting the Writ in Respect to the Unfair Competition Issue.

As in the patent branch of this case, petitioners would have this Court review and sift through the same maze of facts which were so fully and carefully considered by the Court below in connection with the unfair competition branch of this case. The petition discloses that petitioners are attempting at this juncture to repeat and re-argue in this Court questions of facts pertaining to the merits of the unfair competition action which were expressly decided adversely to their contentions by the Court below. This Court, however, in *Magnum v. Coty*, 262 U. S. 159, 163 (1923), stated:—

> ". . . The jurisdiction (to bring up cases by certiorari) was not conferred upon this Court merely to give the defeated party in the Circuit Court of Appeals another hearing".

The actual question on the issue of unfair competition is whether the Court of Appeals below, by its majority opinion, was correct in its decision on the facts as found that the petitioners had committed acts of unfair competition in trade as charged.

These acts were summarized by the Court below as follows:—

> "In summary then, we find the following undisputed facts sufficient to establish as a matter of law a deliberately contrived scheme of fraudulent marketing existing at least during the first two years of Schreiber & Goldberg's Amco operations: (1) simulation of machines to the last detail, including castings of Amco

serial numbers, when numerous distinguishing alternatives existed; (2) the use of Amco parts in machines marketed by Schreiber & Goldberg; (3) several instances of misleading advertising; (4) several instances of customer confusion in making complaints, seeking replacements, and requesting repairs."

"The net result is that the fraudulent scheme as a whole must be condemned. Because joined with improper and deceitful marketing methods the making of the Chinese copies becomes unlawful, in the absence of the taking of reasonable and proper steps by Schreiber & Goldberg to distinguish their machines from the Amcos." [15]

Petitioners' questions 3 and 4 in particular quite erroneously recite as the basis thereof that the matter in dispute was the subject of an expired patent and in the public domain, whereas the true fact of the matter is that the respondent's machines were copied by the petitioners during the existence and life of the very same patent No. 2,090,318 which was the subject of the first cause of action, which has been adjudged by the Courts below to have been valid and infringed, and which expired only during the pendency of this litigation and some two years or more after the petitioners had entered the field.

The petition states at page 18 that petitioners entered the field after expiration of the Beattie and McAuley patents in 1950. However, it was not until two years after such expiration that petitioners commenced their activities and when they did, they did not manufacture machines made pursuant to the expired Beattie and McAuley patents but instead made Chinese copies of the machine of the patent in suit which was then still very much alive. They copied the respondent's patented machine and not those of the ex-

15. Opinion of the Court below, Petitioners' Appendix A, pp. 44a-45a.

pired Beattie and McAuley patents because by 1952 there simply was no market for the obsoleted Beattie machines.[16]

The petitioners assert in their petition (page 14) that the majority of the Court of Appeals below concurred in the finding of the District Court that respondent's machines had not acquired any secondary significance. We do not find in the majority opinion of the Court below any such express finding of no secondary meaning. Instead, the Court merely observed that it was not clear that shirt makers had bought Amco (respondent's) machines primarily or even in substantial part because they were made by Amco rather than because they liked the machine, and it went on to say:—

> "This is probably the basis for the finding by the trial judge that the Amco machines had not 'acquired a secondary significance', which he *erroneously* thought disposed of the unfair competition phase of the action". (Petitioner's Appendix A, page 38a—emphasis added.)

On this same point, the majority of the Court below, after reviewing the record of the petitioners' activities, said:—

> "In the face of this record of wilful and cunningly contrived piracy the District Court found that no unfair competition had been established, because it found that the Amco machines had not acquired a secondary meaning. *We have reached a different conclusion*". (Petitioners' Appendix A, page 31a—emphasis added.)

Thus, it is manifest that whether or not any secondary meaning had been established for the respondent's machines, the Court below found that the overt acts[17] of unfair competition committed by the petitioners in marketing their machines were indeed actionable and subject to injunction

16. Opinion of the Court below (Petitioners' Appendix A, page 9a).

17. Supra, pp. 14-15 hereof.

and restraint by the Court and that because of such fraudulent marketing it had no alternative other than to connect the production of the machines with the marketing thereof. The Court said as to this:—

> "Indeed, they cannot be separated: the fraud and wilful deception of Schreiber & Goldberg as to both production and marketing is manifest. Had a finding to the contrary been made we would be required to set it aside as clearly erroneous". (Opinion of the Court below, Petitioners' Appendix A, page 41a.)

In so holding the Court below, by its majority opinion, was not establishing any new law or principle in the field of unfair competition. The same principle of law was expressed in *William H. Keller, Inc. v. Chicago Pneumatic Tool Co.*, 298 Fed. 52, 57 (C. C. A. 7, 1923) wherein the Court said:—

> "In brief, the manufacturer entering the field which his competitor has heretofore monopolized, may for the purpose of determining the issue of unfair trade, have his business and his alleged unfair trade methods examined from two angles, viz. the viewpoint of the maker or manufacturer of goods; and, second, from the viewpoint of the distributor. As a manufacturer, one has a perfect right to make any article of commerce not covered by a patent monopoly or affected by a lawful trade agreement to which he is a party. As a distributor, however, he must respect those methods of honest and upright dealing which forbid one competitor from adopting practices which are now well understood to be unfair or fraudulent."

In contending that the decision of the Court below is contrary to the established principle of law that upon expiration of a patent, all parts thereof pass into the public domain, the petitioners ignore the also well-established

principle that no trader may with impunity engage in unfair trade practices in respect to production and or marketing of any goods, be it in the public domain or not. Thus, in *William H. Keller v. Chicago Pneumatic Tool Co., supra*, the Court stated:—

> "The issuance of a valid patent gives to the grantee or his assigns a monopoly for 17 years. At the expiration of this period the bars are lifted. All can make the patented article, and there is no reason why a Chinese copy of such article may not be made, unless by doing so the maker subjects himself to the charge of unfair competition. In other words, if the article covered by a patent and with a special dress or artistic adornments that are in no way involved in any of the patent claims, the competitor entering the field at the expiration of the patent may subject himself to the charge of unfair competition, if, in addition to adopting the combination covered by the patent, he adopts the dress, the artistic designs, or those individual marks with which the users have become familiar, and which they recognize as attributes of the product of the old company."

> "In other words, under the Singer Sewing Machine case [18] and other cases cited, supra, the entry of one manufacturer into the field at the expiration of patent is perfectly legitimate and justifiable and only becomes unjustifiable when in selling its goods it adopted methods which induce, or are reasonably calculated to induce, a customer to purchase the product under the mistaken notion that it is manufactured by another".

The very cases cited by petitioners (pp. 16-17 of the petition) support this well-recognized principle expressed in the *Keller* case, *supra*. Thus, in the case of *Singer Mfg. Co. v. June Mfg. Co.*, 163 U. S. 169, this Court, while holding

18. *Singer Mfg. Co. v. June Mfg. Co.*, 163 U. S. 169.

that the name "Singer" had passed into the public domain upon expiration of the Singer patent, nevertheless perpetually enjoined the defendant therein from using the name Singer except under severe conditions, all because of its findings that the defendants had engaged in fraudulent activities. The case of *Kellogg Co. v. National Biscuit Co.*, 305 U. S. 111, also cited by petitioners, is inapplicable because the majority opinion of this Court expressly held that there were no unfair trade practices or acts on the part of the defendant as required the grant of any relief to the plaintiff.

Petitioners' statement in its petition (p. 15) that the instances of customer confusion referred to by the Court of Appeals below were "found unsupported by the trial court" is unwarranted, to say the least. The District Court made no findings at all in respect to such confusion but merely dismissed the complaint, as the Court below pointed out, upon the erroneous thought that its finding of no secondary significance for the Amco (respondent's) machines disposed of the unfair competition phase of the case. In this case, the evidence showed actual instances of confusion, certain of which were specified by the Court below.[19] The fact is that there was confusion induced in the trade by the fraudulent marketing practices of the petitioners which were condemned in no uncertain terms by the Court.

As regards petitioners' contentions, under the guise of its improper questions 3 and 4, that the directive of the Court below for the issuance of a permanent injunction against the petitioners "will establish a dangerous precedent for other Courts and litigants" (petition, p. 17), we cite this Court's decision in *Singer v. June*, *supra*, wherein because of the defendant's fraudulent acts it was denied the privilege enjoyable by every other fair trader and was required to state, if it did use the name "Singer", that the machines so marked were not the manufacture of Singer

19. Opinion of the Court below, Petitioners' Appendix A, p. 31a

Manufacturing Co. And see also *Warner & Co. v. Lilly & Co.*, 1924, 265 U. S. 526.

In thus complaining about the directive of the Court below for the issuance of a permanent injunction, the petitioners have lost sight completely of the fact that such an injunction is addressed solely as against them *in personam* because of their own fraudulent trade practices and that it could not possibly have any effect on the public right to make and sell the machines of the now expired patent in fair competition with the respondent or any one else. Indeed, even the petitioners herein under such injunction may now enjoy the use of the invention of the patent in suit so long as they refrain "from the continuance of their scheme of fraudulent marketing. . . . and adopt reasonable means to distinguish their machines from the Amcos."[20] As the Court below pointed out, the petitioners could distinguish their machine from those of the respondent "in a myriad of ways" and it even suggested a number of changes that could be made. (Petitioners' Appendix A, page 28a.)

The petitioners' statement (petition, page 12) that there was no proof that they repeated the listing as their own of sales agents known to be those of respondent is not true and is contrary to the fact and the findings of the Court below. In this connection, the Court said:—

> "The claim that such listings were 'inadvertent' need not detain us as the earlier errors were known to Schreiber & Goldberg at the time of the later listings". (Petitioners' Appendix A, p. 29a.)

We note also that in respect to the petitioners' use of original parts of the Amco machines in machines sold by petitioners, they attempt in their petition to belittle and minimize this obviously unfair trade practice by asserting that all they did was to use the original Amco parts on remodeled die assemblies pursuant to customer re-

20. Directive (2) of Court below, Petitioners' Appendix A, p. 45a.

quest. This assertion is completely at variance with the proved fact that the petitioners' machines, which they sold as new, included original Ameo parts.[21]

As to this use by the petitioners of Ameo parts, we need quote only the testimony of the petitioners themselves as follows:—

"Q. By using parts of another machine, what do you mean?

A. We have been taking parts of the American Safety Table machine and using it with the dies we have been making up.

Q. You mean parts of the American Safety Table Company?

A. That's right. (Goldberg, R. 206).

* * *

Q. Now, if these leveling springs were old or used, then it is a fact, is it not, that when you sold a die set like Plaintiff's Exhibit 26-A at your regular price, as for a new assembly, you were misrepresenting, weren't you, that the complete assembly was a new assembly?

A. That would be just my opinion.

Q. Well, what is your opinion?

A. If you ask me that, Well, a complete assembly, everything except the set of springs was new.

Q. But you did sell such a die assembly with your name plate on it?

A. Yes, sir.

Q. And you obtained your regular list price for it, as advertised?

A. Well, we had different prices, 80 or 90 dollars.

Q. Whatever it was.

A. Yes." (Ribak, R. 243, 244).

The statement in the petition (page 13) that respondent refused to remodel old dies and insisted that manufacturers purchase a completely new assembly is not in

21. Opinion of the Court below, Petitioners' Appendix A, p. 43a

accord with the fact and is not supported by any evidence adduced in this case.

With reference to the petitioners' question 5, as framed, it proposes nothing more than that this Court should now take upon itself the task of determining whether the Court below was correct in its fact findings and its conclusions based thereon. We respectfully submit that the majority opinion of the Court below, holding that the petitioners embarked upon and were guilty of a fraudulent scheme to market their machines in such manner as to poach upon the established business of respondent is amply supported by the evidence of record and the findings of fact, and we do not perceive wherein the petition sets forth any facts which would support a contrary holding or would warrant the grant of a writ of certiorari.

Petitioners' complaint in respect to the *proposed* judgment submitted to the District Court would appear to be untimely and premature. The equitable relief to which the respondent may be entitled, in the common judicial form of an injunction based on the findings and conclusions of the Court below, is a matter to be exercised by the District Court which has wide discretionary power and authority to insure that the injunctive and other provisions of the judgment are fairly framed, pursuant to the mandate and order of the Court below, to protect the rights and interests of both parties to this litigation.

The petitioners conclude their petition with the unfounded and completely unjustifiable accusation that respondent has a monopoly in this field and that it will now be in a position to compel manufacturers to pay the prices asked and "comply with the conditions imposed". Just what these "conditions" may be the petitioners do not say, and certainly the respondent does not know of any which it has ever imposed or intends to impose. Not a single one of the several shirt manufacturers who testified in this case, and they included the leading manufacturers in this country, gave even the slightest indication that the

industry was in any way ever hampered by any conduct of the respondent or that it was concerned about or had any vital interest in the outcome of this litigation. As a matter of fact the evidence established, without any refutation by petitioners, that the respondent's machines, through savings effected by their use, have each paid for themselves in about a half year of operation (R. 830) and that many of the respondent's machines, sold in the 1930's, were still in use up to the period of the trial in 1956 (R. 129, 140, 198, 203, 234). In view of this, and with not a shred of supporting evidence in the records, how can the petitioners possibly justify their charge of "monopoly" and their assertion that the men's shirt manufacturing industry is vitally concerned with the outcome of this litigation? It just is not true.

CONCLUSION.

Since the decision of the Court of Appeals below is not contrary to any established principles of law enunciated by this Court or any of the other Courts of Appeal and since the issues of this case were decided upon a particular fact situation which inevitably and properly led to the conclusions reached, we respectfully submit that the petition for a writ of certiorari in this case of wilful and deliberate patent infringement and of palpable unfair competition should be denied.

Respectfully submitted,

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